

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ANGELO A. ALLECA, SUMMIT
WEALTH MANAGEMENT, INC.,
SUMMIT INVESTMENT FUND, LP,
ASSET DIVERSIFICATION FUND, LP,
and PRIVATE CREDIT
OPPORTUNITIES FUND, LLC

Defendants.

Civil Action No.
1:12-CV-3261-ELR

Receiver's Report Regarding the Current Status of the Case

Robert D. Terry, the Receiver appointed by Order of this Court dated September 21, 2012, files this Report to describe the current status of the case, and its plans to close out the Receivership. As noted in the Receiver's January 15, 2024 Report (Doc. 239), the sole remaining asset of the Receivership estate (other than cash) is a \$250,000 face value life insurance policy insuring the life of a former key employee of Summit (the "Policy"). The name used for the type of transaction by which someone purchases a life

insurance with expectation that its benefit will outweigh the cost of servicing or keeping the policy in force is a “life settlement.”

The Receiver is actively seeking to sell the Policy for maximum value. In the last half of January, the Receiver, jointly with counsel, continued discussions with one potential purchaser of the policy and had several discussions with the insured regarding his interest in purchasing the policy.

Meanwhile, the Receiver also sought to determine whether there might be interest in the Policy among institutional investors who purchase similar policies and then repackage them as a securitized investment product that can be sold to others. To explore this, the Receiver enlisted the assistance of Northstar Life Services (“Northstar”), a full-service life settlement advisory firm that assists clients with each stage of the life settlement investment cycle. The Receiver and his counsel met with Northstar and discussed valuation issues. As a result of his consultations with Northstar, the Receiver has sought to update medical and other information regarding the insured that would assist in maximizing the value of the Policy. Presently, medical records pertaining to the insured from three out of five health care providers have been obtained. The Receiver is

still awaiting records from two such providers, which Northstar estimates will be received by approximately May 10, 2024.

Once the final medical records are received, the Receiver will enlist Northstar's assistance in maximizing the value of the policy and marketing the Policy to investors through one or more life settlement brokers.

Although the delay in receiving medical records has pushed the resolution of the policy disposition beyond the Receiver's earlier estimates, the Receiver believes that a purchase arrangement may be forthcoming within sixty days after those records are received.

The Receiver plans to proceed as follows:

- 1) Concluding its efforts to locate a purchaser for the policy and, if necessary, preparing and entering into an appropriate agreement implementing the purchase and sale agreement;
- 2) Filing a final petition for payment of the Receiver's fees and those of counsel for the Receiver, and for reimbursement of expenses incurred by the Receiver and his counsel;
- 3) Distributing all remaining cash to claimants (except for an amount sufficient to cover the expenses of closing the receivership) in accordance with Section 3.03 of the Plan of Distribution [120] previously approved by the Court [131]. The current balance of the

Receiver's bank accounts (prior to any proceeds from the sale of the insurance policy) is \$150,883.02.

- 4) Filing the appropriate motions and taking such other necessary steps to close the receivership.

Respectfully submitted this 26th day of April, 2024.

/s/ Robert D. Terry

Robert D. Terry

Georgia Bar No. 702606

Receiver

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CERTIFICATE OF SERVICE

I certify that I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system that will send notice of electronic filing to counsel of record.

This 26th day of April, 2024.

/s/ Pratt H. Davis

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